8.12.2001, that several new posts at various levels have been created consequent to further splitting of certain Ministries into different Departments recently; and

(e) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) Instructions were issued in November, 2001 to the Union Ministers at the level of Hon'ble Prime Minister to implement the recommendations of ERC by 31.12.2001 and to improve the quality of expenditure by curtailing non-plan revenue expenditure and enhancing developmental expenditure. So far around 12,200 posts have been identified for abolition/already abolished. It is the constant endevour of the Government to curtail non-plan non-developmental expenditure and in this regard instructions are issued from time to time to all the Ministries/Departments of the Government of India.

(d) and (e) Functions of the Government are vast and everchanging and posts are required to be created as and when justified. Accordingly certain posts have been created in the new Departments namely, Department of Development of North Eastern Region and Department of Border Management.

Small Co-operative banks in Andhra Pradesh

2457. PROF. M. SANKARALINGAM: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that a series of small co-operative banks in Andhra Pradesh is on the verge of collapse;

(d) if so, the steps taken to set right the situation to install confidence in the depositors;

(c) whether Government have conducted any study to know the status of such small co-operative and other private banks all over the country;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Reserve Bank of India (RBI) has reported that some of the urban co-operative banks (UCBs), especially small UCBs in Andhra Pradesh are having financial problems. Out of the 169 UCBs in the State as on 31 March, 2002, 44 are classified as weak.

(b) With a view to protecting the interests of the depositors, RBI takes various steps depending upon the intensity of the crisis on a case-to-case basis. These include drawing up a time bound action plan for revival, issue directions under Section 35A of the Banking Regulations Act, 1949 (As Applicable to Co-operative Societies) restricting lending, accepting deposits, incurring expenditure, etc. or issue of operational instructions, supersession of Board of Directors and appointment of an administrator in case of mismanagement, cancellation of license and settling the insurance claim through Deposit Insurance Credit and Guarantee Corporation (DICGC), institution of criminal proceedings against the Board of Directors and other executives of the bank concerned, etc.

(c) to (e) RBI has reported that it has not conducted any specific survey to know the status of small co-opertive banks all over the country. However, there is an established system of identification of such problem banks through on-site inspection, off-site monitoring through periodical statutory returns and market intelligence reports. Besides, there is a system of identifying weakness in the Urban Co-operative Banks on an on-going basis, on the basis of certain financial parameters either through on-site inspection or through the system of Annual Financial Review with reference to the financial position of the bank as on 31st March every year.